

2026

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2026

Offered by Educators Financial Group
Portfolio Adviser: Beutel, Goodman & Company Ltd., Toronto, Ontario

Educators Bond Fund



This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or the annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1.800.263.9541, by writing to us at Educators Financial Group, 2225 Sheppard Ave. East, Suite 1105, Toronto, Ontario, M2J 5C2, or by visiting our website at www.educatorsfinancialgroup.ca or SEDAR+ at www.sedarplus.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Caution Regarding Forward-looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar forward-looking expressions.

In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks, and uncertainties, some of which may be unforeseeable. Accordingly, assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, including international conflicts, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, global trade restrictions and tariffs, unexpected judicial or regulatory proceedings, and catastrophic events.

It should be stressed that the above-mentioned list of factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements, whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance unless required by applicable law.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

The Fund's net assets increased by 7.2% to \$64.2 million at the end of June 2026, up from \$59.9 million at the end of December 2025.

Investment Performance

For the year/period ending June 30, 2026 (*the period*), the Educators Bond Fund – Class A Series provided a return of 1.99% versus the FTSE Canada Universe Bond Index (*the Benchmark*) return of 2.24%.

The Fund underperformed its Benchmark over the period. Unlike the Benchmark, the Fund's return is net of fees and expenses paid by the Fund. Detailed performance is provided under the heading "Past Performance" in this report. Investors cannot invest in the Benchmark without incurring fees, expenses and commissions which are not reflected in Benchmark returns.

The period had a volatile start, shaped by renewed geopolitical risk and continued trade policy uncertainty. The escalation of conflict in the Middle East and the resulting disruption to global energy flows reintroduced meaningful upside risks to inflation. Market conditions began to shift in the second quarter of 2026, as easing geopolitical tensions helped stabilize sentiment following a period of elevated uncertainty. The partial resolution of the Middle East conflict led to a sharp retracement in oil prices and a moderation in near-term inflation expectations.

The Fund's duration positioning added value due to the portfolio's tactical duration positions amid interest rate volatility. Curve positioning added value due to the portfolio's overweight position in the mid part of the curve, which outperformed. Sector-allocation added value due to the portfolio's overweight position in corporate bonds, which outperformed. Government-security selection was roughly neutral. Corporate-security selection added value due to the portfolio's overweight exposure to mid-term corporate bonds, which outperformed longer-dated corporate bonds. In addition, the portfolio's overweight exposure to energy and the selection of hybrid securities and high-yield bonds added value. Foreign exchange was roughly neutral during the period; the Fund's U.S. exposure was approximately 90% hedged.

The portfolio Adviser (*the team*) employs macroeconomic analysis, rigorous bottom-up credit research, and proprietary risk-management tools to search for opportunities where the market has mispriced risk and reward. As a result of the team's investment process, market performance, and general management activity, the Fund's weighting in federal and provincial government bonds decreased over the period, while weightings in municipal government bonds increased. The Fund's weighting in investment-grade and high-yield corporate bonds also increased over the period.

Recent Developments

Improving domestic conditions and persistent global inflation pressures are expected to limit the scope for further policy easing by central banks. Credit and labour markets also remain important areas of focus. There have been record levels of issuance, including significant supply linked to artificial intelligence investment. Employment has been resilient, but remains at risk of weakening.

Overall, the Fund's positioning reflects a balance between a more constructive macro environment and a cautious view on valuations. Looking ahead, the team believes markets are vulnerable to repricing, reinforcing the importance of preserving liquidity and maintaining the flexibility to adjust the Fund's portfolio as the outlook evolves throughout 2026.

Related Party Transactions

In the first six months of 2026 Educators Financial Group did not refer any conflict of interest matters to the Fund's Independent Review Committee (*the IRC*) and accordingly did not rely upon any recommendation of the IRC in respect of any related party transactions.

Educators Financial Group is the Manager and Trustee of the Fund. Educators Financial Group is a wholly owned subsidiary of the Ontario Secondary School Teachers' Federation (*OSSTF*). OSSTF may from time to time invest in units of the Fund.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six-month period and for the past five years. Currently Class I units of the Fund are not being offered to purchase by retail investors.

Educators Bond Fund – Class A Series – Net Assets per Unit ⁽¹⁾

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$8.97	\$9.07	\$8.99	\$8.72	\$10.24	\$10.64
Increase (decrease) from operations:						
Total revenue	\$0.19	\$0.39	\$0.40	\$0.36	\$0.32	\$0.32
Total expenses, including transaction costs [excluding distributions]	(\$0.06)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.13)
Realized gains (losses) for the period	(\$0.06)	(\$0.05)	(\$0.16)	(\$0.55)	(\$0.37)	\$--
Unrealized gains (losses) for the period	\$0.10	(\$0.06)	\$0.28	\$0.82	(\$1.32)	(\$0.46)
Total increase (decrease) from operations ⁽²⁾	\$0.17	\$0.17	\$0.41	\$0.52	(\$1.48)	(\$0.27)
Distributions:						
From net investment income (excluding dividends)	\$0.15	\$0.27	\$0.29	\$0.25	\$0.19	\$0.17
From dividends	\$--	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$--	\$0.02
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.15	\$0.27	\$0.29	\$0.25	\$0.19	\$0.19
Net Assets, end of year/period	\$9.00	\$8.97	\$9.07	\$8.99	\$8.72	\$10.24

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$9,942	\$11,236	\$11,419	\$7,844	\$7,163	\$11,823
Number of units outstanding ⁽⁴⁾	1,104,569	1,252,525	1,259,533	872,417	821,326	1,154,946
Management expense ratio ⁽⁵⁾	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Management expense ratio before waivers or absorptions ⁽⁶⁾	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	--%	--%	--%
Portfolio turnover rate ⁽⁸⁾	63.80%	127.29%	149.39%	157.64%	82.01%	129.98%
Net Asset Value per unit	\$9.00	\$8.97	\$9.07	\$8.99	\$8.72	\$10.24



EDUCATORS BOND FUND

Educators Bond Fund – Class I Series – Net Assets per Unit ⁽¹⁾

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$9.19	\$9.29	\$9.21	\$8.93	\$10.49	\$10.92
Increase (decrease) from operations:						
Total revenue	\$0.19	\$0.40	\$0.41	\$0.37	\$0.33	\$0.32
Total expenses, including transaction costs [excluding distributions]	\$--	\$--	\$--	\$--	\$--	\$--
Realized gains (losses) for the period	(\$0.06)	(\$0.05)	(\$0.19)	(\$0.57)	(\$0.40)	(\$0.01)
Unrealized gains (losses) for the period	\$0.11	(\$0.07)	\$0.23	\$0.85	(\$1.13)	(\$0.32)
Total increase (decrease) from operations ⁽²⁾	\$0.24	\$0.28	\$0.45	\$0.65	(\$1.20)	(\$0.01)
Distributions:						
From net investment income (excluding dividends)	\$0.21	\$0.39	\$0.40	\$0.37	\$0.33	\$0.32
From dividends	\$--	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$--	\$0.02
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.21	\$0.39	\$0.40	\$0.37	\$0.33	\$0.34
Net Assets, end of year/period	\$9.22	\$9.19	\$9.29	\$9.21	\$8.93	\$10.49

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year ended December 31				
	2026	2025	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$53,414	\$47,710	\$41,703	\$44,564	\$45,075	\$48,289
Number of units outstanding ⁽⁴⁾	5,793,742	5,190,341	4,488,648	4,841,275	5,048,652	4,601,941
Management expense ratio ⁽⁵⁾	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	--%	--%	--%
Portfolio turnover rate ⁽⁸⁾	63.80%	127.29%	149.39%	157.64%	82.01%	129.98%
Net Asset Value per unit	\$9.22	\$9.19	\$9.29	\$9.21	\$8.93	\$10.49

Educators Bond Fund – Class F Series – Net Assets per Unit ⁽¹⁾

	Six-months ended June 30	Year Ended December 31				
	2026	2025	2024	2023	2022	2021
Net Assets, beginning of year/period	\$8.65	\$8.74	\$8.66	\$8.40	\$9.88	\$10.00
Increase (decrease) from operations:						
Total revenue	\$0.18	\$0.37	\$0.38	\$0.34	\$0.31	\$0.08
Total expenses, including transaction costs [excluding distributions]	(\$0.02)	(\$0.04)	(\$0.05)	(\$0.04)	(\$0.04)	(\$0.01)
Realized gains (losses) for the period	(\$0.06)	(\$0.04)	(\$0.16)	(\$0.54)	(\$0.38)	(\$0.01)
Unrealized gains (losses) for the period	\$0.10	(\$0.04)	\$0.24	\$0.81	(\$0.88)	\$0.11
Total increase (decrease) from operations ⁽²⁾	\$0.20	\$0.25	\$0.41	\$0.57	(\$0.99)	\$0.17
Distributions:						
From net investment income (excluding dividends)	\$0.18	\$0.33	\$0.33	\$0.30	\$0.27	\$0.13
From dividends	\$--	\$--	\$--	\$--	\$--	\$--
From capital gains	\$--	\$--	\$--	\$--	\$--	\$0.01
Return of capital	\$--	\$--	\$--	\$--	\$--	\$--
Total Annual Distributions ⁽³⁾	\$0.18	\$0.33	\$0.33	\$0.30	\$0.27	\$0.14
Net Assets, end of year/period	\$8.67	\$8.65	\$8.74	\$8.66	\$8.40	\$9.88

Ratios and Supplemental Data (based on Net Asset Value)

	Six-months ended June 30	Year Ended December 31				
	2026	2025	2024	2023	2022	2021
Total Net Asset Value (000's) ⁽⁴⁾	\$863	\$948	\$1,044	\$1,092	\$1,101	\$619
Number of units outstanding ⁽⁴⁾	99,456	109,581	119,486	126,081	131,135	62,729
Management expense ratio ⁽⁵⁾	0.51%	0.52%	0.52%	0.52%	0.51%	0.51%
Management expense ratio before waivers or absorptions ⁽⁶⁾	0.51%	0.52%	0.52%	0.52%	0.51%	0.51%
Trading expense ratio ⁽⁷⁾	--%	--%	--%	--%	--%	--%
Portfolio turnover rate ⁽⁸⁾	63.80%	127.29%	149.39%	157.64%	82.01%	129.98%
Net Asset Value per unit	\$8.67	\$8.65	\$8.74	\$8.66	\$8.40	\$9.88

⁽¹⁾ This information is derived from the Fund's interim financial report and audited annual financial statements. For financial years beginning after January 1, 2014, the financial highlights were derived from the Fund's financial statements prepared in accordance with International Financial Reporting Standards (IFRS). All references to "Net Assets" or "Net Assets per Unit" in these financial highlights are references to net assets attributable to holders of redeemable units determined in accordance with IFRS as presented in the financial statements of the Fund.

⁽²⁾ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

⁽³⁾ Distributions were either paid in cash or reinvested in additional units of the Fund.

⁽⁴⁾ This information is provided as at June 30 or December 31 of the year shown.

⁽⁵⁾ Management expense ratio is based on total expenses (excluding distributions, commissions, and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁽⁶⁾ The management expense ratio before waivers or absorptions shows what the management expense ratio of the Fund would have been if Educators Financial Group had not charged a lesser amount for its management fee.

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

⁽⁸⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

Educators Financial Group is the Manager-Trustee, promoter, and principal distributor of the Fund, and is responsible for the day-to-day management and administration of the Fund.

The Manager-Trustee monitors and evaluates the performance of the Fund and pays for the investment management services of the portfolio adviser, as well as all administrative services required by the Fund. As compensation for these services, Educators Financial Group is entitled to receive a fee, payable monthly and calculated daily, based on the Net Asset Value of the Fund, at the annual rate of 1.10% for the Class A Series and 0.45% for the Class F Series. The Class I Series are identical in all respects to the Class A Series, except that there is no management fee payable by the Fund in respect of the Class I units.

The Fund is responsible for paying any applicable tax owing on its management fee.

Approximately 110.8% of the total management fees collected from all Series (excluding Class I Series approximately 18.6% of the total management fees collected), were used to pay for portfolio management services, with the remainder of the fees allocated to custodial services, marketing, technology, and Manager-Trustee operating expenses.

PAST PERFORMANCE

General

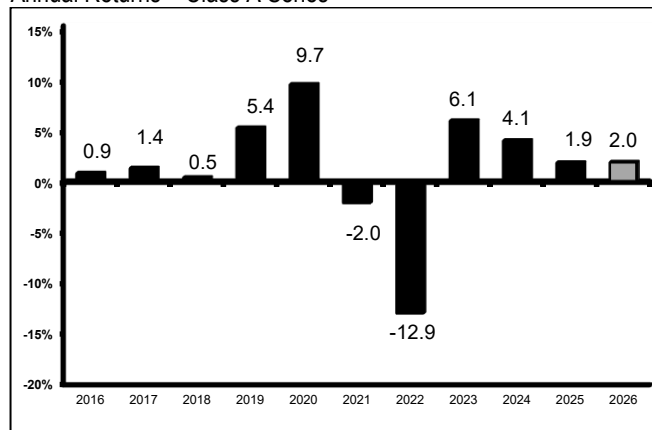
The Fund's performance information shown assumes that all distributions made by the Fund in the period(s) shown were reinvested in additional units of the Fund.

The performance information does not take into account sales, redemption, distribution, or other optional charges that would have reduced returns or performance. The performance of different fund series may vary for a number of reasons, including differences in management fees and expenses. Please remember that how the Fund has performed in the past does not necessarily indicate how it will perform in the future.

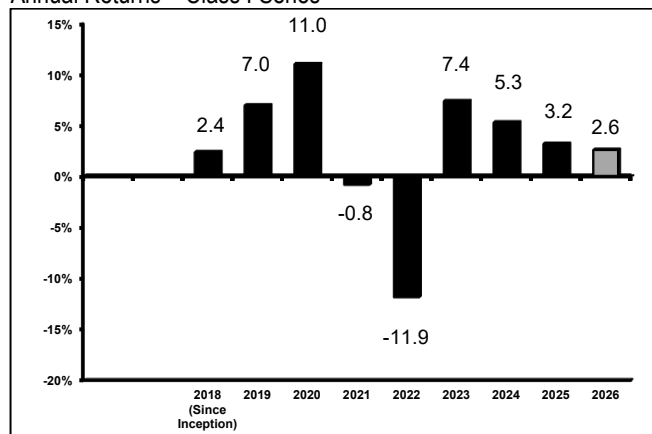
Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown and for the six-month period and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.

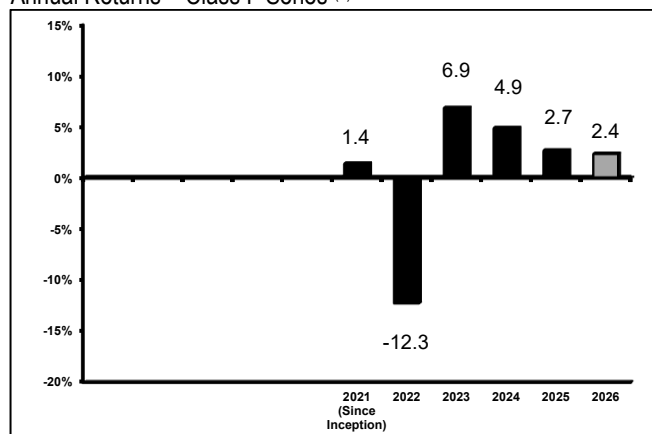
Annual Returns – Class A Series



Annual Returns – Class I Series ⁽¹⁾



Annual Returns – Class F Series ⁽²⁾



■ % Increase/decrease ■ For the six-month period ended June 30, 2026

⁽¹⁾ The Class I Series commenced operation January 4, 2018

⁽²⁾ The Class F Series commenced operation May 14, 2021

SUMMARY OF INVESTMENT PORTFOLIO

(Based on Net Asset Value)

As at June 30, 2026

Sector Mix	Percentage of Net Asset Value
Corporate Bonds	51.93 %
Government Bonds	43.86 %
Short-term investments	3.45 %
Net Other Assets (Liabilities)	0.68 %
Cash and Cash Equivalents	0.08 %

Top 25 Holdings

Security Name	Percentage of Net Asset Value
Province of Ontario, 1.90%, December 2, 2051	3.89 %
Province of Ontario, 3.50%, June 2, 2043	2.90 %
Province of Quebec, 4.00%, September 1, 2035	2.83 %
Province of Ontario, 3.74%, July 10, 2026	2.69 %
Canadian Government Bond, 3.25%, December 1, 2034	2.09 %
Royal Bank of Canada, 5.01%, February 1, 2033	2.03 %
Canadian Government Bond, 3.25%, June 1, 2035	1.98 %
South Coast British Columbia Transportation Authority, 3.85%, December 1, 2035	1.80 %
Province of Alberta, 4.15%, June 1, 2033	1.75 %
Province of Quebec, 3.50%, December 1, 2048	1.68 %
City of Toronto, 4.50%, March 11, 2055	1.58 %
Province of Quebec, 4.00%, September 1, 2036	1.58 %
Province of Ontario, 3.45%, June 2, 2045	1.54 %
Province of Ontario, 4.70%, June 2, 2037	1.50 %
Canadian Western Bank, 5.94%, December 22, 2032	1.50 %
Nissan Canada Inc., 4.98%, October 3, 2028	1.49 %
Northland Power Inc., 9.25%, June 30, 2083	1.44 %
Province of Quebec, 5.00%, December 1, 2038	1.35 %
Canadian Government Bond, 3.00%, June 1, 2034	1.34 %
OMERS Realty Corp., 4.96%, February 10, 2031	1.31 %
Toronto-Dominion Bank, 5.49%, September 8, 2028	1.29 %
Province of Alberta, 3.75%, June 1, 2036	1.27 %
Province of Quebec, 3.50%, December 1, 2045	1.23 %
Canadian Government Bond, 5.00%, June 1, 2037	1.19 %
Toronto-Dominion Bank, 3.77%, April 13, 2030	1.13 %
Total Net Assets (000's)	\$64,218

The top 25 holdings represent approximately 44.38% of the total net assets of the Fund.

The summary of investment portfolio of the Fund is as at June 30, 2026 and may change due to the Fund's ongoing portfolio transactions. Updates are available quarterly.

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